Saving money but costing lives

The Obamacare death panel should be killed before it's too late

Peter J. Ferrara

June 14, 2017

Buried deep within Obamacare is a provision that takes away health care from you and your doctors, by taking away payment for critical health care that may be needed to save your life. It is called The <u>Independent Payment Advisory Board</u> (IPAB).

The <u>board</u> will be independent of you, your doctors, your hospitals, <u>Medicare</u>, <u>Congress</u>, the judiciary, the democratic process, ultimately even the Constitution itself. As the Cato Institute tried to warn us five years ago, <u>IPAB</u> is "independent in the worst sense of the word: independent of <u>Congress</u>, independent of the president, independent of the judiciary, and independent of the will of the people."

IPAB is to be composed of 15 unelected bureaucrats appointed by the president and confirmed by the Senate. But the <u>board</u> and its powers are so dangerous that even President Obama never made any appointments.

Starting next year, if <u>Medicare</u> spending is projected to grow faster than the rate of economic growth per capita plus 1 percentage point, <u>IPAB</u> is empowered to make a proposal that will cut <u>Medicare</u> spending at least to the targeted growth rate. <u>IPAB</u> will be proposing such <u>Medicare</u> cuts every year starting next year because historically, <u>Medicare</u> spending has grown every year by per capita economic growth plus 2.6 percentage points.

Obamacare, however, expressly excluded <u>IPAB</u> from achieving the required savings by rationing health care, raising taxes, increasing cost-sharing in <u>Medicare</u>, cutting <u>Medicare</u> benefits, or altering <u>Medicare</u> eligibility. That leaves <u>IPAB</u> with just 2 options — slash payments to doctors, hospitals and other health care providers under <u>Medicare</u>, or deny specific health care treatments to seniors on grounds they are not "cost effective," as the British National Health Service does for socialized medicine, so admired by Democrats.

Both of which add up to rationing after all. Overall, Obamacare cut more than \$700 billion from <u>Medicare</u>, almost all coming out of payments to doctors and hospitals for health care for seniors. But if doctors and hospitals are not going to be paid their fees, seniors will not be getting the health care they expect under <u>Medicare</u>.

The chief actuary for <u>Medicare</u> reports that ultimately under Obamacare, <u>Medicare</u> payment rates will be only one third of what will be paid by private insurance and only half of what is paid by Medicaid, in which the poor often can't find access to essential care. The actuaries explain that

the Obamacare <u>Medicare</u> cuts would result in "negative total facility margins" for about 40 percent of hospitals, skilled nursing facilities, and home health agencies by 2050.

The actuaries add, "In practice, providers could not sustain continuing negative [losses] and, absent legislative changes, would have to withdraw from providing services to <u>Medicare</u> beneficiaries." Timothy Jost writes in the New England Journal of Medicine, "If the gap between private and <u>Medicare</u> rates continues to grow, health care providers may well abandon <u>Medicare</u>."

Under Obamacare, when <u>IPAB</u> proposes these <u>Medicare</u> cuts, they automatically become law, unless <u>Congress</u> passes and the president signs alternative cuts of the same amount. Obamacare requires the secretary of health and human services to implement the <u>IPAB</u> cuts otherwise.

Moreover, Obamacare empowers the <u>board</u> to propose these <u>Medicare</u> cuts even with just one member of the <u>board</u> appointed. If no one is ever appointed, Obamacare requires the secretary of health and human services to make the required <u>Medicare</u> cuts every year.

But Obamacare does not limit <u>IPAB</u> to cutting <u>Medicare</u>. Obamacare authorizes <u>IPAB</u> to make cuts "to slow the growth in national health expenditures" and "Non-Federal Health Care Programs." Indeed, with IPAB's Medicare cuts, those broader cuts to national health care spending and doctors and hospitals will be necessary "to maintaining or enhancing beneficiary access to quality care under [Medicare]."

Obamacare further provides that nothing that the <u>board</u> does can be challenged or reviewed in any court, federal or state. Obamacare even purports to restrict <u>Congress</u>⁴ power to repeal <u>IPAB</u>.

Obamacare specifically states that <u>Congress</u> can only repeal <u>IPAB</u> through a precisely worded joint resolution introduced in both houses of <u>Congress</u> in January 2017, which Republicans have already introduced. Obamacare further provides that repeal can only be enacted by a three-fifths supermajority in both houses, by Aug. 15. Otherwise, Obamacare states <u>Congress</u> may never, ever repeal <u>IPAB</u> afterward.

IPAB reflects a Hugo Chavez-style socialist dictatorship that threatens the very lives of the American people, by denying them health care when they most need it. We must get rid of it now, before it is too late.